

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT)
FILING OF LOUISVILLE GAS AND) CASE NO. 2012-00446
ELECTRIC COMPANY)

ORDER

On July 30, 2010, in Case No. 2009-00549,¹ the Commission approved rates for Louisville Gas and Electric Company ("LG&E") and provided for their further adjustment in accordance with LG&E's Gas Supply Clause ("GSC").

On September 28, 2012, LG&E filed its proposed GSC to be effective November 1, 2012.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. LG&E's notice includes revised rates designed to pass on to its customers its expected change in wholesale gas costs.
2. LG&E's Expected Gas Cost ("EGC") is \$.42122 per 100 cubic feet, or \$4.2122 per Mcf, which is an increase of \$.3274 per Mcf from the previous EGC of \$3.8848 per Mcf.
3. LG&E's notice sets out a current Refund Adjustment ("RA") of \$.0000 per Mcf. LG&E's total RA is (\$.0129) per Mcf, which is \$.0044 per Mcf more than its previous total RA of (\$.0173) per Mcf.

¹ Case No. 2009-00549, Application of Louisville Gas and Electric Company for an Adjustment of Electric and Gas Base Rates (Ky. PSC Jul. 30, 2010).

4. LG&E's notice sets out a current Actual Adjustment ("AA") of \$.0006 per Mcf. The total AA of (\$.0704) per Mcf is an increase of \$.0098 per Mcf from the previous total AA of (\$.0802) per Mcf.

5. LG&E's notice sets out a \$.0146 per Mcf current Balance Adjustment ("BA"), which is a decrease of \$.0542 per Mcf from the previous BA of \$.0688 per Mcf.

6. LG&E's notice sets out a Performance-Based Rate Recovery Component ("PBRRC") of \$.1066 per Mcf, which will remain in effect to collect LG&E's portion of PBR savings until January 31, 2013.

7. LG&E's Gas Supply Cost Component ("GSCC") is \$.42501 per 100 cubic feet or \$4.2501 per Mcf, which is an increase of \$.2874 per Mcf from the prior GSCC of \$3.9627 per Mcf.

8. The rate in the Appendix to this Order is fair, just, and reasonable and should be approved for gas supplied by LG&E on and after November 1, 2012.

IT IS THEREFORE ORDERED that:

1. The rate in the Appendix, attached hereto and incorporated herein, is approved for gas supplied on and after November 1, 2012.

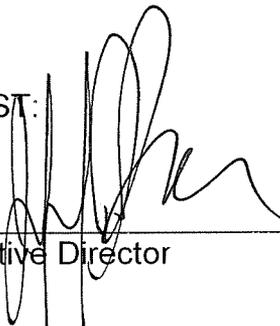
2. Within 20 days of the date of this Order, LG&E shall file its revised tariff sheets with this Commission setting out the rates approved herein and reflecting that they were approved pursuant to this Order.

By the Commission

Commissioner Breathitt is abstaining from this proceeding.

ENTERED ¹¹
OCT 24 2012
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:



Executive Director

Case No. 2012-00446

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2012-00446 DATED **OCT 24 2012**

The following rates and charges are prescribed for the customers served by Louisville Gas and Electric Company. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

Gas Supply Cost Component

The total Gas Supply Cost Component shall be \$.42501 per 100 cubic feet for gas supplied on and after November 1, 2012.

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